



## Senate

General Assembly

**File No. 471**

February Session, 2016

Substitute Senate Bill No. 272

*Senate, April 5, 2016*

The Committee on Energy and Technology reported through SEN. DOYLE of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

**AN ACT CONCERNING THE USE OF MICROGRID GRANTS AND  
LOANS FOR CERTAIN DISTRIBUTED ENERGY GENERATION  
PROJECTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 16-243y of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2016*):

4 (c) The department shall award grants or loans under the microgrid  
5 grant and loan pilot program to any number of recipients. To the  
6 extent possible, the amount of loans and grants awarded under the  
7 program shall be evenly distributed between small, medium and large  
8 municipalities. Such grants and loans [shall only be used to provide  
9 assistance] may provide: (1) Assistance to recipients for the cost of  
10 design, engineering services and interconnection infrastructure for any  
11 such microgrid, and (2) matching funds or low interest loans for  
12 distributed energy generation projects first placed in service on or after  
13 July 1, 2016, for any such microgrid. The department may establish any

14 financing mechanism to provide or leverage additional funding to  
15 support the development of interconnection infrastructure, distributed  
16 energy generation and microgrids. [that is not limited to the cost of  
17 interconnection infrastructure.]

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2016</i>	16-243y(c)
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**ET***Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill, which expands the Department of Energy and Environmental Protection's microgrid grant and loan program, has no fiscal impact.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis****sSB 272*****AN ACT CONCERNING THE USE OF MICROGRID GRANTS AND LOANS FOR CERTAIN DISTRIBUTED ENERGY GENERATION PROJECTS.*****SUMMARY:**

This bill expands the Department of Energy and Environmental Protection's (DEEP) microgrid grant and loan program to include matching funds or low interest loans for distributed energy projects placed in service after July 1, 2016 for eligible microgrids. Under current law, recipients of grants and loans under DEEP's microgrid program can only use the funds for design, engineering services, and interconnection infrastructure (i.e., not for generation).

The law already allows DEEP to establish a financing mechanism to provide or leverage additional funding to support the development of distributed energy generation and microgrids.

EFFECTIVE DATE: July 1, 2016

**BACKGROUND*****Microgrid Grant and Loan Program***

By law, municipalities, electric companies, municipal electric utilities, energy improvement districts, and private entities may apply to DEEP's microgrid grant and loan program (CGS § 16-243y(b)). Applicants may collaborate and submit applications together. The proposed microgrid must support critical facilities, which are:

1. hospitals,
2. police and fire stations,
3. water and sewage treatment plants,

4. public shelters,
5. correctional facilities,
6. certain television and radio production and transmission facilities,
7. commercial areas,
8. municipal centers identified by the municipality's chief elected official, and
9. any other facility or area identified by DEEP (CGS § 16-243y(a)(2)).

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea 24 Nay 0 (03/17/2016)